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**金利豐金融集團有限公司**  
**KINGSTON FINANCIAL GROUP LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 01031)**

**CONNECTED TRANSACTION**  
**RENEWAL OF TENANCY AGREEMENT**

On 14 January 2022, the Company, entered into the Tenancy Agreement with the Landlord of the Premises in relation to the leasing of the Premises for a term of three (3) years commencing from 15 January 2022 to 14 January 2025.

**LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 “Leases”, the Company will recognise a right-of-use asset on its consolidated statement of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction under the Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As at the date of this announcement, the ultimate beneficial owner of the Landlord is Mrs. Chu. Accordingly, the entering into of the Tenancy Agreement constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the value of the right-of-use asset to be recognised by the Group under the Tenancy Agreement falls within the thresholds prescribed in Rule 14A.76(2)(a) of the Listing Rules, the entering into of the Tenancy Agreement is exempt from circular and independent shareholders’ approval requirements, but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the announcement of the Company dated 15 January 2019 in relation to the Existing Tenancy Agreement entered into between the Company and the Landlord of the Premises regarding the leasing of the Premises. The term of the Existing Tenancy Agreement will expire on 14 January 2022.

On 14 January 2022 (after trading hours of the Stock Exchange), the Company entered into the Tenancy Agreement with the Landlord of the Premises in relation to the leasing of the Premises for a term of three (3) years commencing from 15 January 2022 to 14 January 2025.

## **TENANCY AGREEMENT**

A summary of the principal terms of the Tenancy Agreement is as follows:

Date:	14 January 2022
Parties:	(i) the Company as tenant; and (ii) The Center (72) Limited as landlord
Premises:	the whole of 72th floor, The Center, 99 Queen's Road Central, Central, Hong Kong Island, the gross floor area of which is approximately 26,586 square feet
Lease term:	three (3) years from 15 January 2022 to 14 January 2025 (both dates inclusive)
Monthly rent:	HK\$2,339,568 (exclusive of rates, Government rent, air-conditioning and management charges and other charges) payable in advance monthly
Government rent and rates:	the Company shall pay in advance monthly the portion of the Government rent and rates being assessed on a quarterly basis on the 72nd floor of The Center to be calculated proportionate to the total gross floor area of the Premises
Air-conditioning and charges:	HK\$229,039 per calendar month, subject to review in accordance with the provisions of the Tenancy Agreement
Deposit:	HK\$8,267,317 (equivalent to the aggregate of three months' of the rent, three months' air-conditioning and management charges, Government rent and rates payable in respect of the Premises)

The monthly rent was determined after arm's length negotiations between the parties to the Tenancy Agreement with reference to the recent transactions reported by property agents in respect of premises of comparable size at The Center at the time when the Tenancy Agreement was entered into.

### **RIGHT-OF-USE ASSET**

The value of the right-of-use asset to be recognised by the Company under the Tenancy Agreement is the present value of aggregated lease payments to be made under the Tenancy Agreement in accordance with HKFRS 16 "Leases".

### **INFORMATION ON THE GROUP AND THE LANDLORD**

The Group is principally engaged in the provision of a wide range of financial services which include securities underwriting and placements, margin and IPO financing, securities brokerage, corporate finance advisory services, futures brokerage and asset management services. The Group also provides entertainment and hospitality services in Macau.

The Landlord is principally engaged in holding properties. As at the date of this announcement, the ultimate beneficial owner of the Landlord is Mrs. Chu, who is the controlling shareholder and the executive Director of the Company.

### **REASONS FOR AND BENEFITS OF ENTERING INTO THE TENANCY AGREEMENT**

The Group has been leasing the Premises from the Landlord as its principal place of business in Hong Kong since 2019. The Company considers that it would be beneficial to lease the Premises as it will enable the Group to secure its stable operation at the Premises without incurring additional costs and expenses in identifying, renovating and relocating to alternative premises and ensure that there will be no disruption to the operations and business of the Group.

Furthermore, given the Premises is located at a well-equipped and well-managed office building which is a landmark building located at the prominent place of the Central financial district, the Board considers that the Premises is suitable to continue for the use as the Group's principal place of business in Hong Kong.

The Board (including all the independent non-executive Directors) considers that the terms of the Tenancy Agreement are fair and reasonable and the lease of the Premises is on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the Landlord is wholly owned by Mrs. Chu, who is the controlling shareholder of the Company, hence a connected person of the Company, the entry into the Tenancy Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules.

Given that Mr. Chu, Nicholas Yuk-yui, being the executive Director and chairman of the Company and Mr. Chu, Kingston Chun Ho, being the executive Director of the Company are the associates of Mrs. Chu, each of Mrs. Chu, Mr. Chu, Nicholas Yuk-yui and Mr. Chu, Kingston Chun Ho is considered to be interested in the Tenancy Agreement and each of them has abstained from voting on the board resolution approving the Tenancy Agreement. Save as disclosed above, to the best of knowledge of the Directors having made all reasonable enquiries, no other Directors had a material interest in the Tenancy Agreement and thus was required to abstain from voting on the board resolution approving the Tenancy Agreement.

Given that one or more of the applicable percentage ratios are more than 0.1% but less than 5%, the value of the right-of-use asset to be recognised by the Group under the Tenancy Agreement falls within the thresholds prescribed in Rule 14A.76(2)(a) of the Listing Rules, the entering into of the Tenancy Agreement is exempt from circular and independent shareholders' approval requirements, but is subject to the annual review and reporting and announcement requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Kingston Financial Group Limited, a company incorporated under the laws of Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Tenancy Agreement”	the tenancy agreement dated 15 January 2019 entered into between the Company and the Landlord in relation to the leasing of the Premises
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Landlord”	The Center (72) Limited, a company incorporated under the laws of the British Virgin Islands and wholly-owned by Mrs. Chu
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mrs. Chu”	Mrs. Chu Yuet Wah, the controlling shareholder, the chief executive officer and the executive Director of the Company, and the ultimate beneficial owner of the Landlord
“Premises”	the whole of 72th floor, The Center, 99 Queen’s Road Central, Central, Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the tenancy agreement dated 14 January 2022 entered into between the Company and the Landlord in relation to the leasing of the Premises
“%”	per cent.

By order of the Board  
**Kingston Financial Group Limited**  
**Chu, Nicholas Yuk-yui**  
*Chairman*

Hong Kong, 14 January 2022

*As at the date of this announcement, the executive Directors are Mr. Chu, Nicholas Yuk-yui (Chairman), Mrs. Chu Yuet Wah (Chief Executive Officer), Mr. Chu, Kingston Chun Ho and Mr. Ho Chi Ho and the independent non-executive Directors are Mr. Lau Man Tak, Ms. Lo Miu Sheung Betty and Mr. Chiu Sin Nang, Kenny.*